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**FISCAL IMPACT STATEMENT**

**LS 6538**

**BILL NUMBER:** SB 124

**NOTE PREPARED:** Dec 13, 2005

**BILL AMENDED:**

**SUBJECT:** Health Provider Reimbursement Agreements.

**FIRST AUTHOR:** Sen. Gard

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** No Fiscal Impact

**Summary of Legislation:** This bill prohibits certain provisions in health provider reimbursement agreements.

**Effective Date:** Upon passage.

**Explanation of State Expenditures:** This bill provides that an agreement between an insurer and a provider may not contain a provision that requires the provider to offer to the insurer a reimbursement rate that is equal to or lower than the lowest reimbursement rate that the provider offers to another insurer. Additionally, a contract between a health maintenance organization and a participating provider may not contain a provision that requires the participating provider to offer to the health maintenance organization a reimbursement rate that is equal to or lower than the lowest reimbursement rate that the participating provider offers to another health maintenance organization. The bill provides that contract provisions that are entered into after the effective date of the bill and that violate this prohibition are null and void.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:**

**Information Sources:**

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